

Introduced by

1 A BILL for an Act to reenact portions of Senate Bill No. 2015, as approved by the sixty-eighth
2 legislative assembly, to amend and reenact section 54-63.1-04 of the North Dakota Century
3 Code, relating to the clean sustainable energy authority's fertilizer development incentive
4 program; to provide for retroactive application; and to provide an effective date.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1. REENACTMENT.** The portion of Senate Bill No. 2015, as approved by the
7 sixty-eighth legislative assembly, and published in section 51 of chapter 47 of the 2023 Session
8 Laws, is reenacted as follows:

9 **SECTION 51. AMENDMENT.** Section 54-63.1-04 of the North Dakota Century
10 Code is amended and reenacted as follows:

11 **54-63.1-04. Clean sustainable energy authority - Duties - Report.**

- 12 1. The authority shall make recommendations to the commission for program
13 guidelines, including eligibility criteria for entities to receive funding under
14 this chapter.
- 15 2. The nonvoting technical advisors shall develop a process to review and
16 evaluate projects to determine the technical merits and feasibility of any
17 application, including potential benefits of the development of low-emission
18 technology, the expansion of the development of the state's natural
19 resources or energy production, and the contribution to the economic
20 diversity in the state.
- 21 3. The authority may develop a loan program or a loan guarantee program
22 under the clean sustainable energy fund. The Bank of North Dakota shall
23 administer the loan program or loan guarantee program. The interest rate of
24 a loan under this program may not exceed two percent per year. The

1 maximum term of a loan under this section must be approved by the
2 commission based on a recommendation from the authority. The Bank shall
3 review applications for loans or loan guarantees and shall consider the
4 business plan, financial statements, and other information necessary to
5 evaluate the application. To be eligible for a loan or loan guarantee, an
6 entity shall agree to provide the Bank of North Dakota with information as
7 requested. The Bank of North Dakota may develop policies for loan
8 participation with local financial institutions.

9 4. The authority shall make recommendations to the commission for grant
10 awards, loan approvals, or other financial assistance to provide funding to
11 support research, development, and technological advancements for the
12 large scale development and commercialization of projects, processes,
13 activities, and technologies that reduce environmental impacts and increase
14 sustainability of energy production and delivery in accordance with this
15 chapter. Any projects, processes, activities, and technologies selected by
16 the commission for funding must have been recommended by the authority,
17 must demonstrate feasibility based on a technical review conducted by the
18 nonvoting technical advisors of the authority, must have other sources of
19 financial support, and must achieve the priorities and purposes of the
20 program. At the request of the authority, the Bank of North Dakota shall
21 provide a recommendation regarding the economic feasibility of a project,
22 process, activity, or technology under consideration by the authority. The
23 Bank shall review the business plan, financial statements, and other
24 information necessary to provide a recommendation.

25 5. The authority shall develop a fertilizer development incentive program,
26 including guidelines to provide loan forgiveness. Funding for the fertilizer
27 development incentive program under this subsection is limited to one
28 hundred twenty-five million dollars.

29 a. To be eligible for the fertilizer development incentive program:

30 (1) The fertilizer production facility must be located within the state;

- 1 (2) The owner of the fertilizer production facility must be an entity
- 2 domiciled in the United States or Canada;
- 3 (3) The owner must borrow money under a program administered by
- 4 the Bank of North Dakota; and
- 5 (4) The fertilizer production facility must use hydrogen produced by
- 6 the electrolysis of water.
- 7 b. Upon completion of the construction of the fertilizer production facility,
- 8 the authority shall forgive the loan and shall use fertilizer development
- 9 incentive funding to repay any outstanding amount borrowed, as
- 10 certified by the Bank. The authority shall request an appropriation
- 11 from the strategic investment and improvements fund or other funding
- 12 sources to provide fertilizer development incentive funding to repay
- 13 any outstanding amount borrowed.
- 14 6. The authority may consult with any other state agency necessary to carry
- 15 out the purposes under this chapter.
- 16 7. Each biennium, the authority shall provide a written report to the legislative
- 17 management regarding its activities and the program's financial impact on
- 18 state revenues and the state's economy.

19 **SECTION 2. RETROACTIVE APPLICATION.** This Act applies retroactively to July 1, 2023.

20 **SECTION 3. EFFECTIVE DATE.** This Act becomes effective immediately upon its filing with
21 the secretary of state.